



Connecticut Association for Human Services
 110 Bartholomew Avenue · Suite 4030
 Connecticut 06106
www.cahs.org

Luis Caban, President
 James P. Horan, Executive Director
 Hartford, 860.951.2212
 860.951.6511 fax

Appropriations Committee
Testimony of Jillian Gilchrest, Assistant Policy Director
Connecticut Association for Human Services
RE: Governor's Proposed Budget, State Department of Social Services
Friday, February 22, 2013

Good evening Senator Harp, Representative Walker and members of the Appropriations Committee. My name is Jillian Gilchrest and I am the Assistant Policy Director for the Connecticut Association for Human Services (CAHS).

Founded in 1910, CAHS promotes family economic security strategies that empower low-income working families to achieve financial independence. CAHS also hosts the Providers' Caucus, a forum for childcare providers in family based and center based childcare settings, both publicly and privately funded, to receive information about statewide policy happenings and programming, and learn and share best practices amongst childcare providers statewide. With a membership of more than 300 childcare providers and growing, the Providers' Caucus listserv is reaching a diversity of childcare providers statewide.

CAHS is also a member of the Connecticut Early Childhood Alliance, a statewide membership and advocacy organization committed to improving the developmental outcomes for all children, birth to 8, in the areas of early learning, health, safety and economic security and the Hartford Area Childcare Collaborative.

Care4Kids

CAHS opposes the reduction of funding for Care4Kids proposed in HB 6350 and the associated restriction of program eligibility. The Governor's budget suggests a cut to Care4Kids of \$3.27 million (3%) in FY14 from the final FY 13 budget after rescissions, as well as ending eligibility for families earning between 50 and 75% of the state median income (SMI).

At present, families must be earning under 50% of SMI to become enrolled in Care4Kids, but they may continue to receive a child care subsidy as long as their income is below 75% of SMI. As their income rises, the parental share of the child care costs increases and the subsidy provided by the state declines. This allows for a gradual "phase-out" of Care4Kids benefits so that parents do not suddenly lose all their benefits when their income rises above 50% of SMI. The proposed change would create a cliff for families moving towards income sufficiency rather than the more gradual transition off of childcare subsidies under the current system. A small



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increase in pay could leave families ineligible for Care4Kids, meaning that working more and doing better could leave vulnerable families further behind.

Because the state contribution declines as income increases, the cost savings to the state for eliminating the phase-out eligibility category are likely to be relatively small, yet they will have significant negative impacts on the affected families' abilities to raise themselves out of poverty and transition to self-sufficiency. We therefore urge you to maintain funding for Care4Kids and retain current eligibility categories.

HUSKY A Parents

The Governor proposes to reduce HUSKY A eligibility for parents from 185% to 133% of the Federal Poverty Level. It is estimated that 30,000 parents would lose HUSKY A coverage. The Governor's budget indicates that these parents will secure coverage through the new Health Insurance Exchange.

We are very concerned that the cost in the Exchange will be unaffordable for many parents, even when federal subsidies are taken into account. There will be significant co-pays and deductibles in the Exchange. Studies show that even small cost-sharing requirements pose a barrier for low-income people to seek needed health services. Also, more children will not get the health care they need by cutting these parents from HUSKY. A large body of research finds that more children are likely to be covered by health insurance when their parents are also covered. We urge the Committee to ensure parents earning up to 185% FPL do not lose affordable health care.

HUSKY Outreach

The Governor's proposal to cut HUSKY Infoline outreach by more than half in FY14 and eliminate funding in FY15 is also of concern. HUSKY Infoline is a valuable tool for parents who are seeking health care for their children and themselves.

Thank you for your consideration on these important policy issues.